



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

FOR IMMEDIATE RELEASE
February 11, 2011

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Royal Bank, Elroy, Wisconsin, Assumes All of the Deposits of Badger State Bank, Cassville, Wisconsin

Badger State Bank, Cassville, Wisconsin, was closed today by the Wisconsin Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Royal Bank, Elroy, Wisconsin, to assume all of the deposits of Badger State Bank.

The sole branch of Badger State Bank will reopen on Saturday as a branch of Royal Bank. Depositors of Badger State Bank will automatically become depositors of Royal Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of Badger State Bank should continue to use their existing branch until they receive notice from Royal Bank that it has completed systems changes to allow other Royal Bank branches to process their accounts as well.

This evening and over the weekend, depositors of Badger State Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2010, Badger State Bank had approximately \$83.8 million in total assets and \$78.5 million in total deposits. In addition to assuming all of the deposits of the failed bank, Royal Bank agreed to purchase essentially all of the assets.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-930-1908. The phone number will be operational this evening until 9:00 p.m., Central Standard Time (CST); on Saturday from 9:00 a.m. to 6:00 p.m., CST; on



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-34-2011

Sunday from noon to 6:00 p.m., CST; and thereafter from 8:00 a.m. to 8:00 p.m., CST. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/badgerstate.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$17.5 million. Compared to other alternatives, Royal Bank's acquisition was the least costly resolution for the FDIC's DIF. Badger State Bank is the seventeenth FDIC-insured institution to fail in the nation this year, and the second in Wisconsin. The last FDIC-insured institution closed in the state was Evergreen State Bank, Stoughton, on January 28, 2011.
